

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7483

BILL NUMBER: HB 1403

DATE PREPARED: Mar 5, 1999

BILL AMENDED: Mar 4, 1999

SUBJECT: Advanced Practice Nurse Services.

FISCAL ANALYST: Alan Gossard

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FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Mandated Health Insurance Services Evaluation Commission.

The bill adds services provided by advanced practice nurses to the services that are provided under Medicaid, so long as those services are rendered in a school based clinic, community health center, or federally qualified health center. The bill also provides that an advanced practice nurse is eligible for direct reimbursement from Medicaid for providing services in a school based clinic, community health center, or federally qualified health center.

This bill also changes the certification process for a physician assistant to a licensure process. The bill authorizes a licensed physician to delegate prescribing privileges to a physician assistant. It also authorizes the supervising physician to supervise two physician assistants. The bill authorizes a physician assistant to certify the health status of patients. It also authorizes a physician assistant to provide care in a disaster or emergency situation without liability unless the physician assistant is grossly, willfully, or wantonly negligent.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) *Mandated Health Insurance Services Evaluation Commission:* This bill establishes the 14-member Mandated Health Insurance Services Evaluation Commission to assess the social, medical, and financial impacts of proposed mandated health insurance services. Four of the members are legislators and 10 are lay members.

By Legislative Council resolution, most interim and statutory committees and commissions are allocated \$9,000 per year. This Commission, with all legislators and lay members receiving a \$50 per diem, is estimated to cost about \$1,400 per meeting if all attend. The Commission is to meet at least once per month.

Consequently, if all members attend each of 12 meetings, total cost of the Commission would be about \$16,900, which would exceed the usual allocation. The bill provides that if a bill or resolution is introduced or pending in the General Assembly, the Commission must determine the social, medical and financial impact of the bill. The specific requirements of this analysis is outlined in the bill. The Commission is also to conduct actuarial analyses of proposed insurance mandates which would also require expenditures in addition to the per diems mentioned above. The Legislative Services Agency is to provide administrative support. No appropriations are made in this bill to cover the analysis that the Commission is required to conduct.

Advanced Practice Nurses: According to the Office of Medicaid Policy and Planning (OMPP), the Medicaid program currently reimburses advanced practice nurses in the settings described in the bill.

Physician Assistants: The Health Professions Bureau oversees the state regulation of physician assistants. The Bureau will experience additional expenses associated with issuing new wall licenses to those practitioners who currently have wall certificates that reflect certification status. The Bureau will also dispose of current supplies of blank wall certificates and replace them with new wall licenses. New applications reflecting the licensure status instead of the certification status would have to be ordered. The Bureau would also experience additional expenses associated with notifying all current practitioners.

The Bureau would also incur additional expenses associated with allowing physician assistants prescriptive authority. The Bureau would need to discard current controlled substance registration (CSR) applications and modify the form to include physician assistants. The Physician Assistants Committee would also need to meet monthly to develop new rules to implement the above. (The Committee currently meets quarterly.) The Bureau will also experience an increase in telephone inquiries about the proposed changes. Total increased expenses are outlined below.

Costs Associated with Licensing Physician Assistants and Allowing Prescriptive Authority		
Expense	FY2000	FY2001
Per Diem	\$3,000	\$1,500
Travel	9,500	4,750
Printing	4,500	2,250
Postage	5,000	2,500
Telephone	1,500	750
Supplies	1,500	750
Total	\$25,000	\$12,500

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of 1-31-99, the State Personnel Manning table reported that the Bureau had four

vacancies; however, the Bureau intends to fill these positions. With respect to reversions, the Bureau reverted \$223,413 in fiscal year 1997-98 and \$214,707 in fiscal year 1996-97. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The bill contains no appropriations.

Explanation of State Revenues: (Revised) *Physician Assistants:* Indiana currently certifies 177 physician assistants. The cost for an initial application is \$30, and the cost to renew a certification is \$20 biennially. Revenue collected in fiscal year 1997 equaled \$1,400. Revenue collected in fiscal year 1998 equaled \$2,640. The proposal may affect the number of applications and the amount of renewal fees that the Bureau collects. The specific impact, however, is indeterminable. License fees are deposited in the State General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Health Professions Bureau

Local Agencies Affected:

Information Sources: Barbara Marvel McNutt, Board Director and Staff Counsel, Health Professions Bureau (317) 233-4406; Office of Medicaid Policy and Planning.